

**HICKAM AFB, HI  
INDUSTRY BRIEFING  
QUESTIONS AND ANSWERS  
JULY 15, 2003**

1. **Question:** Please explain what the Request for Proposal means by stating that the commodity is not included in the solicitation?

**Answer:** Electric, natural gas, and water commodity supply is not included in this contract, even if water and/or electricity production facilities are included as part of the system to be conveyed. The Government retains the right to procure or supply electricity and/or water, that will be transported on the system(s) covered by this contract from any source, including the Contractor, if the Contractor proposes to supply it via an alternate proposal.

2. **Question:** Does an employee of the contractor need to have U.S. Citizenship to work on the service contract?

**Answer:** Although the Request for Proposals (RFP) does not state specifically that a contractor employee must have U.S. Citizenship, the RFP and Right of Way (ROW) address security requirements and/or requirements for access to the system(s).

The RFP states in Section:

**C.5.2.6 National Agency Check**

The Contractor shall provide sufficient information to obtain complete and favorable National Agency Check (NAC) investigations for its employees for unescorted entrance into restricted areas on base.

And in Section

**C.5.2.7 Controlled Access Areas**

The Contractor shall apply for personnel security clearances within 5 days after receipt of the facility clearance or within 30 days after award of the contract if the Contractor possesses a facility clearance, whichever is sooner. Personnel requiring access to secured areas or restricted areas under the control of the Installation shall comply with applicable regulations.

The ROW states under 4. Access, Paragraph 4.2:

...Such regulations and orders may, by way of example and not by way of limitation, include restrictions on who may enter, how many may enter at any one time, when they may enter, and what areas of the Installation they may visit, as well as requirements for background investigations, including those for security clearances, of those entering....

**3. Question:** Will DESC be giving the presentation to anyone else? Are there any other interested parties besides the ones that showed up today for the industry briefing?

**Answer:** DESC invited all interested parties to participate in the Industry Briefing today. This is the only Industry Briefing that will be conducted prior to the solicitation issuance.

**4. Question:** Does a bundling offer hinder a local company? Wouldn't a best price bundling offer win over others? Does the Government prefer bundling?

**Answer:** As provided by 10 USC 2688 and Implement Guidance from the Deputy Secretary of Defense (DEPSECDEF) Memorandum dated October 9, 2002, an offer on a utility privatization system (1) must be economical to privatize, (2) systems must be evaluated individually, (3) the Government does not mandate bundling, and (4) source selection authority must be based on best value determination.

**5. Question:** If a higher unbundled offer and a lower bundled offer were both submitted, how does the Government evaluate? Does the economies of scale play into this?

**Answer:** As stated in the 4. above, the Government is mandated by the 10 USC 2688 and the DEPSECDEF Memorandum of October 9, 2002.

**6. Question:** If an offer was a lower bid than a local company, could this offer hinder the local company?

**Answer:** As stated in 4. above, source selection authority must be based on best value and the offer must be economical in comparison to the Government Cost Estimate.

**7. Question:** How does an offeror know that the technical factors outrank all others?

**Answers:** In accordance with the Air Force templated Request for Proposal (RFP), Section M, Evaluation Factors for Award, clearly outlines factors and subfactors the Government will consider in evaluating offerors' proposals submitted in response to the solicitation for the privatization of utility systems.

**8. Question:** Is the pathfinder phase from previous years different than this>

**Answer:** Yes, in the sense that the Air Force is now executing the Non-Pathfinder effort (which includes Hickam AFB). The results of the various Pathfinder projects are noteworthy. These projects enabled the Air Force to gather lessons learned from both the Air Force and Industry to create better tools such as the Request for Proposal (RFP), Right-of-Way (ROW), Certified Economic Analysis (CEA) models, and various other documents/instruments which would help facilitate the Privatization process between both parties.

**9. Question:** How does utility privatization link to Hickam's housing privatization?

**Answer:** Each installation works with their Major Command (MAJCOM) to determine if, and to what extent, the utilities associated with Housing Privatization (HP) will be included with Utilities Privatization (UP). Hickam AFB will be working with its Major Command (HQ PACAF) to determine which housing areas, if any, will be included with UP. Please see the utility specific J-Sections of the RFP, once issued, to discover how HP and UP will be integrated for Hickam.

**10. Question:** Where are the points of demarcation? Will there be a physical point?

**Answer:** Yes, there will be a physical point to identify the points of demarcation (POD). The Air Force has two classes of PODs. There are the 'General PODs' and 'Unique PODs.' The 'General PODs' will cover most cases for the installation's facilities and they vary based on the type of utility system and whether or not the laterals have regulators, meters, shut-off valves, clean-outs, etc. The 'Unique PODs' typically describe where the installation receives their commodity from off-base source(s). These 'Unique PODs' also address unique facility configurations, or other anomalies, not addressed in under the 'General PODs.' Please see Exhibit B of the ROW, once issued, for these 'General' and 'Unique' PODs.

**11. Question:** Are pre-existing environmental conditions addressed in the Right of Way?

**Answer:** Exhibit C of the ROW addresses Environmental Baseline Surveys (EBS) which discloses pre-existing environmental conditions. At this time, the Air Force has determined that it will not fund/conduct an EBS prior to contract award. This decision is based on the opinion that a new owner would have little, if any, confidence with an EBS conducted solely by the Air Force. Section 19 - 'Environmental Baseline' of the ROW further elaborates on the EBS; please see this section of the ROW, once issued. The technical library, available to the offerors after issuance of the RFP, will have any previous EBSs conducted at the base for other projects. From the Pathfinder effort, the Air Force has learned that previous EBSs can contain valuable information pertaining to the installation's utility systems.

**12. Question:** What is the risk of mitigation if after postaward the Environmental Base Survey (EBS) is completed and deficiencies are found? How do we mitigate this risk?

**Answer:** This is a risk inherent to the UP process. The Air Force will make a good faith effort to provide available environmental conditions pertaining to the utility systems. Offerors are encouraged to read the entire ROW to understand how environmental conditions will be handled before and after Privatization. The beginning of the ROW has the 'Informal Summary Discussion of the ROW' and it states, "...Because of this, environmental contamination of the equipment will be the responsibility of the owner of the equipment; environmental contamination of the land will be the responsibility of the entity that caused the contamination and, secondarily, of the land-owner." Further discussion/elaboration of this issue should be addressed to Mr. Phil Sheuerman, SAF/GCN, the Air Force Real Estate Lawyer who penned the Air Force ROW.

13. **Question:** Will there be local representation for the Source Selection Evaluation Team?

**Answers:** Yes. Base personnel will be a part of the technical and price evaluation sub-teams.

14. **Question:** Status of minority is different in Hawaii than on the Mainland. How will this be addressed in the Socioeconomic plan?

**Answer:** The solicitation will address any specific requirements for Hawaii in the Socioeconomic Plan if applicable.

15. **Question:** Are communication systems included in the RFP?

**Answer:** No communication systems are included in the RFP.

16. **Question:** Are communication lines run on electrical poles? How does the government address these shared lines?

**Answer:** The Right of Way addressed shared lines on electrical poles.

17. **Question:** Are there fluoridization requirements on the water supply the same as the Army?

**Answer:** This is an installation specific question and if the base wants fluoridization, we will include it in the 'Specific Service Requirements' section of the water system's utility specific J-Section. The Air Force understands that fluoridation is not required to meet primary drinking water standards and, therefore, a need to provide it would have to be spelled out in the RFP.

**18. Question:** Are there industrial wastewater requirements on this system as this system is a conveyed system?

**Answer:** At this time, the A&Es developing the utility specific J-Sections have not identified any industrial wastewater requirements on Hickam's wastewater system. However, they are still working with the installation to capture all the system's characteristics and developing these utility descriptions. Please see the wastewater utility specific J-Section once the RFP is issued.

**19. Question:** The Program Milestones look optimistic, however, the quality of the records, e.g. up-to-date prints, are to be desired on some utility privatization efforts. Will the paper quality records be up-to-date in order to make the site visit easier? Also the timeframes from the site visits to receipt of offers seem tight?

**Answer:** The base will have as accurate up-to-date records that will be available to offerors. The schedule for the site visits will be identified in the RFP and more than one site visit date will be offered. The Government will try to have the preproposal conference and site visits as close to RFP issuance as possible.

**20. Question:** How does this effort tie into future projects, for example the C-17?

**Answer:** The RFP provides flexibility for future projects. Large/small projects will always be planned throughout the life of the contract and utility systems will have to support these projects. One example of this flexibility is the RFP language for service connections which enables service lines to be put in place or taken out at any time during the contract. Also, large upgrades and/or capital improvement projects are to be submitted by the offeror(s), and subsequent owner(s), in a 'rolling window-type of format. The government requires a five-year plan to see those utility projects established by the offeror(s)/owner(s). These plans will be developed while working in concert with the government to determine the installation's utility needs (i.e. projects to support the C-17).

**21. Question:** It seems possible that an offeror who know the system might be at an advantage over another offeror who does not know the system. Is it possible for this to happen as the base's records may be inaccurate?

**Answer:** The Government's evaluation process and cost realism report will be able to pinpoint any clarifications that may be needed if an offeror's price does not seem realistic.

**22. Question:** What are the security requirement to gain access to the base?

**Answer:** Section C of the RFP and Section 4 of the Right of Way (ROW) address security requirements for gaining access to the base.

**23. Question:** Can the Government locate the technical library off base?

**Answer:** Given the security issues related to this effort, this will probably not be possible. The government understands the offerors want timely and convenient access to the technical library. Therefore, the government will make a good faith effort to provide portions of the technical library in an electronic format so the offerors can review this material at their convenience. The government will not be able to provide some information electronically as it may not have electronic copies, there may be potential format issues, and/or there may be significant security issues associated with the uncontrolled distribution of some pieces of information.

**24. Question:** Are all utilities underground? Is that a base requirement? How would this affect the Right of Way?

**Answer:** The government assumes the question refers to the electrical system. Most of the electrical systems at Hickam AFB and Bellows AFS are underground. Please see the electric utility specific J-Sections for Hickam AFB and Bellows AFS, once the RFP has been issued, for the latest information pertaining to this question.

**25. Question:** Will negotiations be held with local base personnel or with DESC?

**Answer:** DESC was hired by the Air Force as their contracting agent. The solicitation process will be the responsibility of DESC, and therefore, all negotiation will be held with the DESC Contracting Officer out of Ft. Belvoir, VA.

**26. Question:** Does the Government reserve the right to any component of the infrastructure after the infrastructure is conveyed?

**Answer:** At this time, the government has not reserved the right to any component post-privatization. The nature of UP is to get out of the utility business all together; therefore, the government will mostly likely not reserve the right to any component. The government will, however, reserve the right to some things such as placing navigational equipment on water towers. Please refer to the RFP (which includes the ROW), once issued, to see if the government has reserved the right to any component.

**27. Question:** On the Program Milestones, it states Evaluator Training, what does this mean?

**Answer:** The evaluation process is done by a secured website for the technical evaluation team. This training is to familiarize them with the website and the process on the website.

**28. Question:** For disposal of wastewater, will the contractor deal directly with Pearl Harbor face-to-face or through Hickam personnel?

**Answer:** The contractor will work with Hickam personnel.

**29. Question:** Will there be a problem if a tariff proposal states that the price proposal needs to go to the PUC for approval?

**Answer:** No; we do understand that the PUC would require approval of any UP award, and DESC has adequately accounted for such approval time in the procurement cycle before forwarding any award recommendation(s) for Congressional Notifications.